

Begin June 4 - 1959

A24 (290)

SECOND NIGHT LEAD BIG FOUR
BY SEYMOUR TOPPING

GENEVA, JUNE 4 (AP)-SOVIET FOREIGN MINISTER ANDREI A. GROMYKO SIDETRACKED TODAY A WESTERN BID FOR A GUARANTEE OF FREE ACCESS TO WEST BERLIN.

THE THREE WESTERN MINISTERS, IN A 90-MINUTE SECRET SESSION, ASKED FOR THE GUARANTEE AS A TEST OF SOVIET WILLINGNESS TO REACH A COMPROMISE AGREEMENT IN THE BERLIN CRISIS.

PRESIDENT EISENHOWER WARNED YESTERDAY THAT HE WOULD REFUSE TO GO TO A SUMMIT MEETING UNLESS THE RUSSIANS WITHDREW THEIR THREAT TO THE ISOLATED CITY AND ITS EXPOSED SUPPLY LINES.

WESTERN INFORMANTS SAID GROMYKO, IN THE "NO PROGRESS" SESSION, SAID HE WOULD BE HAPPY TO ASSURE FREE ACCESS TO WEST BERLIN--BUT POSED THIS BLOCK:

SUCH A GUARANTEE WOULD BE FORTHCOMING IF THE WEST AGREED TO CONVERT WEST BERLIN TO A DEMILITARIZED FREE CITY.

U.S. SECRETARY OF STATE CHRISTIAN A. HERTER, BRITISH FOREIGN MINISTER SELVYN LLOYD, AND FRENCH FOREIGN MINISTER MAURICE COUVE DE MURVILLE REPEATEDLY HAVE REJECTED THIS SOVIET PROPOSAL, ON THE GROUND IT WOULD END THE WESTERN OCCUPATION AND LEAVE WEST BERLIN DEFENSELESS.

BRITISH INFORMANTS SAID GROMYKO INDICATED HE WOULD BE WILLING TO RETURN TO A DISCUSSION OF THE ACCESS QUESTION AFTER THE CONFERENCE AGREED ON THE FUTURE OF WEST BERLIN.

GROMYKO HAS SUGGESTED AS AN ALTERNATIVE TO HIS FREE CITY PROPOSAL THAT SOVIET TROOPS MIGHT BE POSTED IN WEST BERLIN ALONG SIDE THE 10,000-MAN WESTERN GARRISON. THE WESTERN MINISTERS HAVE REJECTED THIS AS WELL.

"THE ATMOSPHERE AT TODAY'S MEETING WAS PLEASANT," SAID ONE FRENCH INFORMANT, "BUT AS FAR AS PROGRESS IS CONCERNED, IT MIGHT AS WELL NEVER HAVE TAKEN PLACE."

WESTERN OFFICIALS WERE NOT RULING OUT THE POSSIBILITY THAT GROMYKO MIGHT TAKE A MORE COMPROMISING LINE ON THE CRUCIAL ACCESS QUESTION AFTER CONSULTATION WITH PREMIER NIKITA S. KHRUSHCHEV. KHRUSHCHEV MIGHT BE WILLING TO COMPROMISE IN ORDER TO GET PRESIDENT EISENHOWER TO MEET HIM AT THE SUMMIT.

GROMYKO, WHO IS IN CLOSE TOUCH WITH KHRUSHCHEV BY COURIER AND CABLE, HAS GIVEN UP PLANS TO MEET THE PREMIER FACE-TO-FACE OVER THE WEEKEND. SOVIET SOURCES SAID.

KHRUSHCHEV ARRIVED IN BUDAPEST TODAY AFTER A SWING THROUGH ALBANIA, WHERE HE MET WITH SATELLITE LEADERS. HE IS DUE BACK IN MOSCOW SATURDAY, AND WILL BE HOST EARLY NEXT WEEK TO THE EAST GERMANY COMMUNIST PARTY CHIEFTAIN, WALTER ULRICH, AND PREMIER OTTO GROTEWOHL. AS THE GENEVA CONFERENCE, NOW IN ITS FOURTH WEEK, MOVED IN A DECISIVE STAGE OF SECRET NEGOTIATIONS, KHRUSHCHEV APPEARED TO BE PRIMING HIS EAST BLOC LEADERS FOR SHOWDOWN.

THE BIG FOUR MINISTERS MET FOR 90 MINUTES IN THE LUXURIOUS VILLA OF COUVE DE MURVILLE, BESIDE THE SUNNY PLACID WATERS OF LAKE GENEVA. IT WAS A PEACEFUL SETTING FOR THE FIRST REAL GIVE-AND-TAKE SESSION AIMED AT BREAKING THE WEEK-LONG DEADLOCK OVER BERLIN.

WESTERN INFORMANTS SAID GROMYKO HINTED AT THE SECRET SESSION YESTERDAY HE WAS PREPARED TO DISCUSS PEACEMEAL A COMPROMISE WESTERN PLAN--ALTHOUGH HE REJECTED IT AS A PACKAGE.

THE RUSSIAN SHOWED THIS MUCH "GIVE" AFTER THE WESTERN MINISTERS MADE IT CLEAR THAT THEY WOULD NEVER ACCEPT HIS PLAN FOR STATIONING SOVIET TROOPS ALONGSIDE ALLIED TROOPS IN WEST BERLIN.

THE WESTERN PLAN, SPELLED OUT IN ONLY GENERAL TERMS AS A BASIS FOR DISCUSSION, WOULD BE BASED UPON SOVIET READINESS TO GUARANTEE FREE

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ACCESS TO WEST BERLIN PENDING GERMAN REUNIFICATION.

THE OTHER MAJOR POINTS:

1. WHILE THE WESTERN ALLIES WOULD FREEZE THEIR TROOP LEVELS IN WEST BERLIN, THE SOVIET UNION WOULD REAFFIRM THE RIGHT OF THOSE FORCES TO REMAIN IN THE CITY. WESTERN OFFICIALS HAVE MADE IT KNOWN THEY MIGHT CONSIDER TROOP CUTS, BUT GROMYKO HAS NOT YET BEEN TOLD THIS DIRECTLY. THIS IS A BARGAINING POINT. HERTER, LLOYD AND COUVE DE MURVILLE HAVE MADE IT CLEAR TO GROMYKO THAT THE ALLIED GARRISON IN WEST BERLIN DOES NOT SERVE A MILITARY PURPOSE SO MUCH AS IT DOES AS A SYMBOL OF WESTERN PROTECTION OF THE CITY.

2. EAST BERLIN AND WEST BERLIN WOULD CALL A HALT TO SUBVERSIVE AND HATE PROPAGANDA ACTIVITY.

3. AN ALL-BERLIN "WATCHDOG" COMMISSION WOULD BE SET UP, COMPRISING REPRESENTATIVES OF THE FOUR POWERS AND DELEGATES FROM EAST BERLIN AND WEST BERLIN. THIS COMMISSION WOULD SEE TO IT THAT THE ANTI-SUBVERSION AGREEMENT WAS OBSERVED. SOME WESTERN INFORMANTS ALSO ENVISIONED IT AS BODY THAT MIGHT HELP TO RESTORE STREETCAR, TELEPHONE AND OTHER UTILITY CONNECTIONS BETWEEN THE COMMUNIST AND WESTERN SECTORS OF THE CITY.

A20
JJ202PED

AMS BUDGET (400)

SECURITY

BY ARTHUR GAVSHON

GENEVA, JUNE 4 (AP)-THE WESTERN ALLIES ARE PLANNING A NEW BID TO GET TALKS GOING AGAIN WITH RUSSIA ON EUROPEAN SECURITY AND DISARMAMENT PROBLEMS, WESTERN OFFICIALS REPORTED TONIGHT.

IN ADDITION, FRANCE INTENDS TO ASK THE BIG FOUR FOREIGN MINISTERS CONFERENCE HERE TO EXPRESS ITSELF ON THE IDEA OF A COORDINATED WORLD AID PROGRAM FOR UNDERDEVELOPED COUNTRIES.

FIRST MOVES TOWARD THESE ENDS WILL BE MADE IF AND WHEN THE BIG FOUR HAMMER OUT SOME SORT OF UNDERSTANDING TO TAKE THE FIRE OUT OF THE BERLIN CRISIS.

AMERICAN, BRITISH AND FRENCH STATESMEN DO NOT EXPECT TO GO TOO DEEPLY INTO THE SUBSTANCE OF THESE PROBLEMS WITH ANDREI A. GROMYKO OF RUSSIA AT THIS GENEVA PARLEY. BUT THEY ARE HOPEFUL, ACCORDING TO THE INFORMANTS, OF WORKING OUT A PRECISE AND AGREED FORMULATION OF THE ISSUES FOR NEGOTIATION AT THE PROPOSED SUMMIT CONFERENCE. HERE IS A RUN DOWN OF WHAT THE VARIOUS WESTERN POWERS HAVE IN MIND:

ON DISARMAMENT:

THE UNITED STATES WANTS TO REVIVE THE UNITED NATIONS-SPONSORED NEGOTIATIONS THAT BROKE DOWN IN 1957. THEIR PURPOSE WAS TO MOVE TOWARD A PACT THAT WOULD HALT THE WORLD ARMS RACE. TO GET THE TALKS GOING AGAIN THE WEST MIGHT BE READY TO GIVE IN TO RUSSIA'S DEMAND THAT THE NEGOTIATIONS BE WIDENED TO TAKE IN MORE COMMUNIST AND NEUTRALIST NATIONS.

ON EASING TENSIONS IN EUROPE:

BRITAIN WOULD LIKE EAST-WEST TALKS TO START ON HER PET PROJECT FOR A ZONE OF LIMITED ARMAMENTS IN MID-EUROPE. THIS WAS THE IDEA PRIME MINISTER MACMILLAN "SOLD" VERY EASILY TO SOVIET PREMIER NIKITA KHRUSHCHEV IN MOSCOW EARLY THIS YEAR BUT WHICH HIS OWN ALLIES WOULDN'T "BUY" WITHOUT THE STRICTEST QUALIFICATIONS. IT ENVISAGES AGREED CEILINGS ON THE ARMS AND ARMIES OF THE POWERS IN THE TWO GERMANY'S, POLAND AND CZECHOSLOVAKIA. THE FRENCH AND WEST GERMANS DON'T LIKE IT BECAUSE THEY FEEL IT SAVORS TOO MUCH OF MILITARY DISENGAGEMENT.

ON GUARDING AGAINST SURPRISE ATTACK:

THE WEST WANTS TO RESUME THE 10-NATION SCIENTIFIC STUDIES ON BUILDING UP A SURE SYSTEM THAT WOULD GIVE WARNINGS IF AN AGGRESSOR PLANNED AN ATTACK. THESE STUDIES WERE ABANDONED LAST DECEMBER BECAUSE

EAST AND WEST COULD NOT AGREE WHAT THEIR EXPERTS SHOULD INVESTIGATE. IN GENERAL THE IDEA IS TO DEVELOP A GLOBAL SYSTEM OF AIR, LAND AND SEA INSPECTORS EMPOWERED TO CHECK ANY SUSPICIOUS MILITARY ACTIVITIES.

ON HELPING UNDERDEVELOPED COUNTRIES:

PRESIDENT CHARLES DE GAULLE OF FRANCE HAS AN IDEA THAT EAST-WEST CONFIDENCE CAN BE BUILT UP BEST THROUGH FUNCTIONAL COOPERATION ON THE GROUND. AS A STARTING-POINT, DE GAULLE IS THINKING OF DEVELOPING THE VARIOUS AID PROGRAMS SPONSORED BY EAST AND WEST FOR THEIR POORER FRIENDS. AND HE FEELS THE HAVE NATIONS SHOULD PITCH IN EACH YEAR TO A COMMON FUND TO HELP THE HAVE-NOTS.

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A68

(240)

GENEVA, JUNE 4 (AP)-BRITISH FOREIGN SECRETARY SELWYN LLOYD AND SOVIET FOREIGN MINISTER ANDREI A. GROMYKO HELD A BRIEF PRIVATE MEETING TODAY TO DISCUSS THE RENEWED FIGHTING IN LAOS.

GROMYKO HAD ASKED FOR THE MEETING TO PUSH HIS DEMAND FOR INTERNATIONAL ACTION AGAINST THE LAOTIAN GOVERNMENT, WHICH IS TRYING TO SUBDUCE AN 800-MAN BATTALION OF THE PATHET LAO, THE COMMUNIST-LED REBELS WHO SIGNED A PEACE AGREEMENT WITH THE GOVERNMENT 18 MONTHS AGO.

THE BATTALION IS RESISTING GOVERNMENT ATTEMPTS TO BREAK IT UP AND SPREAD IT AMONG UNITS OF THE ROYAL LAOTIAN ARMY. THE REBELS FLED TO THE JUNGLES IN NORTHERN LAOS AND HAVE CLASHED SEVERAL TIMES WITH PURSUING ARMY UNITS.

BRITAIN AND RUSSIA WERE COCHAIRMEN OF THE 1954 GENEVA CONFERENCE WHICH WORKED OUT THE ARMISTICE ENDING THE INDOCHINA WAR.

THERE WAS NO IMMEDIATE WORD ON THE OUTCOME OF THE LLOYD-GROMYKO CONFERENCE. GROMYKO EMERGED GRIM FACED AND WOULD ANSWER NO QUESTIONS.

LLOYD IS CAUGHT BETWEEN CONFLICTING VIEWS OF TWO COMMONWEALTH NATIONS, INDIA AND CANADA, WHICH SERVED ON THE DORMANT THREE-NATION LAOS ARMISTICE COMMISSION.

INDIA--ALONG WITH THE THIRD COMMISSION MEMBER, COMMUNIST POLAND-- DEMANDED THE COMMISSION BE REVIVED TO TRY TO STOP THE FIGHTING BETWEEN THE LAOTIAN GOVERNMENT FORCES AND THE PATHET LAO UNITS.

CANADA SHARES THE VIEW OF THE ROYAL LAOTIAN GOVERNMENT THAT THE 1954 GENEVA AGREEMENT HAS LAPSED AND THE COMMISSION THEREFORE HAS NO RIGHT TO INTERVENE IN A DOMESTIC LAOTIAN MATTER.

BJ729AED

A69

WITH GENEVA (130)

LONDON, JUNE 3 (AP)-THE LONDON TIMES TODAY STUCK BY ITS SENSATIONAL REPORT THAT FOREIGN SECRETARY SELWYN LLOYD IS GOING TO BE SHIFTED TO ANOTHER POST AFTER THE NEXT GENERAL ELECTION.

THE TIMES REPRINTED THE REPORT IN ITS WEEKLY EDITION, WHICH GOES ALL OVER THE WORLD.

THE REPORT, WRITTEN BY THE NEWSPAPER'S POLITICAL CORRESPONDENT, APPEARED MONDAY AND CAUSED A FUROR. GOVERNMENT CIRCLES FEARED IT MIGHT UNDERMINE LLOYD'S POSITION AT THE GENEVA FOREIGN MINISTERS' CONFERENCE, AND PRIME MINISTER MACMILLAN TOOK PAINS IN THE HOUSE OF COMMONS TUESDAY TO DENY THERE WAS ANY OFFICIAL FOUNDATION TO THE REPORT.

THE SUNDAY EXPRESS HAD SAID THE DAY BEFORE THAT LLOYD WAS TO BE MOVED FROM THE FOREIGN OFFICE. BUT IT WAS THE TIMES REPORT THAT KICKED UP THE FUSS, BECAUSE THE TIMES IS CONSIDERED TO HAVE GOVERNMENT SOURCES OF INFORMATION THAT NO OTHER PAPER HAS.

BJ729AED

A42WX

(380) SUMMIT

BY ERNEST B. VACCARO

WASHINGTON, JUNE 4 (AP)-SEN. J. WILLIAM FULBRIGHT (D-ARK) TOOK ISSUE TODAY WITH PRESIDENT EISENHOWER'S DECISION TO SHUN A SUMMIT CONFERENCE UNLESS THE FOREIGN MINISTERS AT GENEVA MAKE "A MEASURE OF PROGRESS." THE PRESIDENT, IN A NEWS CONFERENCE YESTERDAY, SET AS HIS MINIMUM

REQUIREMENT RUSSIAN ACCEPTANCE AT GENEVA OF WESTERN RIGHTS TO STAY IN BERLIN UNTIL GERMANY IS REUNITED INTO A SINGLE NATION.

"I DON'T SEE HOW THE HEAD OF ANY SELF-RESPECTING GOVERNMENT CAN GO TO AN INTERNATIONAL CONFERENCE IN RESPONSE TO ANY KIND OF THING THAT CAN BE INTERPRETED AS A THREAT," EISENHOWER SAID.

BUT FULBRIGHT OPPOSED ANY ADVANCE REQUIREMENT.

"THE MERE ACCOMPLISHMENT OF SOMETHING IN ADVANCE SHOULD NOT BE THE ONLY BASIS FOR A SUMMIT CONFERENCE," FULBRIGHT TOLD REPORTERS. HE IS CHAIRMAN OF THE SENATE FOREIGN RELATIONS COMMITTEE.

"IF A SUMMIT CONFERENCE DOESN'T HOLD SOME PROSPECT OF BENEFIT TO THE WESTERN WORLD, I WOULDN'T GO," HE ADDED. "BUT THE FACT THAT NOTHING MAY BE ACCOMPLISHED IN THE CURRENT SESSION AT GENEVA SHOULD NOT BE THE SOLE REASON FOR NOT TRYING TO GET SOME ACCOMPLISHMENT AT A HIGHER LEVEL."

FULBRIGHT CONCEDED THAT THE FOREIGN MINISTERS "HAVEN'T ACCOMPLISHED ANYTHING AT GENEVA."

"BUT," HE SAID, "ONE MIGHT MAKE AN ARGUMENT THAT THERE SHOULD BE A SUMMIT CONFERENCE IN STILL ANOTHER EFFORT TO MAKE SOME PROGRESS. I THINK IT IS POSSIBLE AND LOGICAL TO ARGUE THAT THE COMPLETE LACK OF ACCOMPLISHMENT AT THE FOREIGN MINISTER LEVEL MIGHT JUSTIFY A SUMMIT MEETING."

FOR THE FIRST TIME, EISENHOWER PUBLICLY DISCLOSED THE MINIMUM PRICE SOVIET PREMIER NIKITA KHRUSHCHEV MUST PAY FOR A SUMMIT CONFERENCE.

IF THE RUSSIANS ACCEPT THE ALLIED RIGHTS TO STAY IN BERLIN, THE PRESIDENT SAID, HE WOULD REGARD THAT AS SUFFICIENT PROGRESS TO JUSTIFY A LATER SUMMIT MEETING.

HE SAID THAT NOTHING HAS HAPPENED AT THE BIG FOUR FOREIGN MINISTERS MEETING SO FAR WHICH WOULD CONVINCE HIM HE SHOULD GO TO A SUMMIT PARLEY.

HIS REFUSAL TO ATTEND UNDER A POTENTIAL THREAT TO BERLIN WAS TANTAMOUNT TO SERVING NOTICE ON THE SOVIETS NOT ONLY TO ABANDON THEIR CAMPAIGN TO FORCE THE WEST OUT OF BERLIN BUT TO CONFIRM WESTERN RIGHTS TO REMAIN THERE.

IN SPELLING OUT HIS CONDITION, THE PRESIDENT TOOK AN INDIRECT SLAP AT KHRUSHCHEV, WHO REPEATEDLY TALKS OF SIGNING A SEPARATE PEACE TREATY WITH EAST GERMANY.

"SOME OF THE STATEMENTS MADE BY MR. KHRUSHCHEV WERE CERTAINLY NOT CALCULATED TO EASE TENSION AND PROMOTE, YOU MIGHT SAY, A RELAXED ATMOSPHERE FOR THE CONDUCT OF NEGOTIATIONS AT GENEVA," THE PRESIDENT OBSERVED.

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A135

NIGHT LEAD KHRUSHCHEV (170)
BUDAPEST, HUNGARY, JUNE 4 (AP)-SOVIET PREMIER KHRUSHCHEV ARRIVED HERE TODAY FOR AN INFORMAL VISIT.

HIS FIRST DAY HERE SAW NONE OF THE FANFARE AND SPEECHMAKING THAT MARKED HIS JUST COMPLETED 10-DAY VISIT TO ALBANIA.

IT WAS NOT KNOWN HOW LONG HE WOULD STAY HERE BEFORE RETURNING TO MOSCOW AND THERE WAS NO OFFICIAL INFORMATION ON WHAT HE PLANS TO DO IN HUNGARY. ONE SOURCE SAID HE IS NOT SCHEDULED TO MAKE ANY PUBLIC SPEECHES.

KHRUSHCHEV AND HIS DEFENSE MINISTER, MARSHAL RODION Y. MIRONOVSKY, WERE MET AT THE AIRPORT THIS MORNING BY HUNGARIAN COMMUNIST PARTY CHIEF JANOS KADAR AND PREMIER FERENC MUENNICH.

IN KEEPING WITH THE INFORMAL NATURE OF HIS VISIT, THERE HAS BEEN LITTLE PUBLIC ATTENTION PAID TO THE SOVIET PREMIER'S SECOND VISIT HERE SINCE APRIL 1958.

BEFORE HE LEFT THE ALBANIAN CAPITAL OF TIRANA THIS MORNING, THE SOVIET LEADER ASSURED THE LEADERS OF THE LITTLE COUNTRY ON THE ADRIATIC THAT THE SOVIET UNION WOULD ALWAYS COME TO HER DEFENSE IN THE EVENT OF AGGRESSION FROM HER NEIGHBORS.

KHRUSHCHEV IS EXPECTED TO DISCUSS PLANS WITH THE HUNGARIAN LEADERS FOR A CONFERENCE OF BALKAN HEADS OF STATE IN CONNECTION WITH THE PROPOSED BALKAN MISSILE BAN.

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A80

PRECEDE LONDON KHRUSHCHEV

BY JOHN BAUSMANN

BUDAPEST, HUNGARY, JUNE 4 (AP)-SOVIET PREMIER NIKITA KHRUSHCHEV, LOOKING SUN-TANNED AND RELAXED AFTER SPENDING MORE THAN A WEEK IN ALBANIA, ARRIVED HERE TODAY FOR TALKS WITH HUNGARIAN LEADERS BEFORE RETURNING TO MOSCOW.

KHRUSHCHEV, ACCCOMPANIED BY SOVIET DEFENSE MINISTER MARSHAL RODION Y. MALINOVSKY, ARRIVED IN A SOVIET TU104 JET TRANSPORT. THEY WERE GREETED BY HUNGARIAN COMMUNIST PARTY CHIEF JANOS KADAR, PREMIER FERENC MUENNICH AND OTHER LOCAL LEADERS.

A REPRESENTATIVE OF THE HUNGARIAN COMMUNIST WOMEN'S ORGANIZATION HANDED KHRUSHCHEV A BOUQUET OF RED ROSES. THEN THE SOVIET PREMIER, SMILING BROADLY, BEGAN SHAKING HANDS WITH HUNGARIAN OFFICIALS. WHEN HE CAME TO INTERIOR MINISTER BELA BISZKU HE LAUGHED AND REMARKED:

"OH, SO YOU ARE THE TERROR OF THE COUNTER-REVOLUTION?"
(IN COMMUNIST COUNTRIES THE MINISTRY OF INTERIOR HAS CHARGE OF THE POLICE FORCES.)

THEN KHRUSHCHEV GREETED MEMBERS OF THE HUNGARIAN WORKERS' MILITIA AND SQUATTED JOVIALLY TO SAY HELLO TO A CHILD.

HUNGARIAN OFFICIALS SAID THEY DID NOT KNOW ANYTHING ABOUT REPORTS FROM GENEVA THAT SOVIET FOREIGN MINISTER ANDREI GROMYKO MIGHT SEEK A WEEKEND MEETING WITH KHRUSHCHEV HERE.

KHRUSHCHEV LAST VISITED HUNGARY IN APRIL 1958. ON THIS VISIT HE IS EXPECTED TO DISCUSS COMMUNIST PARTY MATTERS AND SOVIET BLOC POLICIES WITH THE NATION'S COMMUNIST RULERS.

PRESUMABLY THE SOVIET PREMIER ALSO WILL DISCUSS PLANS FOR A CONFERENCE OF BALKAN GOVERNMENT HEADS WHICH MOSCOW ANNOUNCED LAST NIGHT RUSSIA AND ALBANIA WOULD CALL. THE PURPOSE, THE MAGAZINE NEW TIMES SAID, WOULD BE TO BAN NUCLEAR WEAPONS FROM THE BALKANS.

IN HIS SPEECHES IN ALBANIA KHRUSHCHEV COUPLED DEMANDS THAT NUCLEAR WEAPONS BE KEPT OUT OF SOUTHEAST EUROPE WITH WARNINGS TO ITALY AND GREECE NOT TO PERMIT BASES FOR U.S. NUCLEAR MISSILES TO BE ESTABLISHED ON THEIR TERRITORY. KHRUSHCHEV SAID IF THEY DID ADMIT SUCH WEAPONS, THE SOVIET UNION MIGHT HAVE TO PUT MISSILE BASES IN ALBANIA OR OTHER BALKAN COMMUNIST STATES.

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A146 (160)

MOSCOW, JUNE 4 (AP)-SOVIET PREMIER KHRUSHCHEV TODAY ASSAILED AGREEMENTS PERMITTING WEST GERMANY TO REARM AS NOTHING BUT SCRAPS OF PAPERS AS FAR AS BEING ABLE TO CONTROL THE REVIVING GERMAN ARMED FORCES.

IN A LETTER TO THE MOSCOW JOURNAL OF INTERNATIONAL AFFAIRS, KHRUSHCHEV CRITICIZED THE PARIS AND BONN ACCORDS THAT BROUGHT WEST GERMANY INTO THE WESTERN EUROPEAN UNION AND THEN INTO THE NORTH ATLANTIC TREATY ORGANIZATION (NATO).

(THE WEST ARGUES THAT THESE AND OTHER AGREEMENTS WOULD HELP SERVE AS A BRAKE ON ANY REVIVAL OF MILITANT GERMAN NATIONALISM BY TIEING THE GERMANS FIRMLY INTO THE WESTERN ECONOMIC AND DEFENSE COMMUNITY AND HINDERING INDEPENDENT ACTION.)

KHRUSHCHEV'S LETTER WAS WRITTEN MAY 5 AND ADDRESSED TO A GROUP OF WORLD WAR II FRENCH RESISTANCE FIGHTERS. THEY HAD SENT HIM A RESOLUTION URGING THE BIG POWERS TO SOLVE THEIR DIFFERENCES THROUGH PEACEFUL NEGOTIATIONS.

KHRUSHCHEV REPLIED THAT "THE CREATION OF A MILITARY REGIME LED B."

30.24-7303

WEST GERMAN REVANCHISTS (REVENGE-SEEKERS) NEAR THE FRENCH BORDER- IS A DANGER TO FRANCE.

HE ADDED THAT THE SOVIET UNION IS CONVINCED IMPORTANT WORLD PROBLEMS CAN AND MUST BE SOLVED BY SUMMIT TALKS.

BULLETIN
BONN, GERMANY, JUNE 4 (AP)-CHANCELLOR KONRAD ADENAUER HAS DECIDED TO REMAIN CHANCELLOR OF WEST GERMANY INSTEAD OF RUNNING FOR PRESIDENT. A PARTY CHIEF ANNOUNCED TONIGHT.

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WILL RASNER, CHIEF WHIP OF ADENAUER'S CHRISTIAN DEMOCRATS, TOLD REPORTERS THAT ADENAUER HAD INFORMED THE PARTY FLOOR LEADER, HEINRICH KRONE, THAT HE NO LONGER WANTED TO RUN FOR PRESIDENT. CLOSE ASSOCIATES OF THE 83-YEAR-OLD CHANCELLOR SAID HE HAS CHANGED HIS MIND ABOUT THE PRESIDENCY BECAUSE HE BELIEVES THE INTERNATIONAL SITUATION REQUIRES HIM TO REMAIN IN DIRECT CONTROL OF THE GOVERNMENT.

IT IS EXPECTED THAT ADENAUER WILL TELL HIS PARTY ABOUT HIS CHANGE OF MIND AT AN EMERGENCY MEETING OF THE PARLIAMENTARY FACTION TOMORROW MORNING.

ADENAUER ORIGINALLY ACCEPTED HIS PARTY'S NOMINATION AS PRESIDENTIAL CANDIDATE WITH THE EXPLANATION THAT HE WAS ENSURING A SMOOTH CONTINUATION OF HIS POLICY.

BUT IT HAS BEEN ANYTHING BUT SMOOTH SINCE AS HIS PARTY HAS BEEN SPLIT OVER THE SUCCESSION. ADENAUER FAVORED QUIET, UNASSUMING FRANZ ETZEL, THE FINANCE MINISTER, AS HIS SUCCESSOR. BUT THE MAJORITY OF HIS PARTY WANTED LUDWIG ERHARD, VICE-CHANCELLOR AND ECONOMICS MINISTER, REGARDED AS A BIG VOTE-GETTER BECAUSE HE IS CREDITED WITH MASTER-MINDING POSTWAR RECOVERY.

ERHARD NOW IS IN WASHINGTON ON A VISIT TO THE UNITED STATES. ADENAUER'S DECISION CAUGHT HIS SUPPORTERS BY SURPRISE. MANY AT FIRST EXPRESSED BELIEF THAT A THREAT TO STAY ON WAS A POLITICAL MANEUVER TO WIN SUPPORT FOR ETZEL. LATER, HOWEVER, IT BECAME APPARENT THAT ADENAUER HAD CHANGED HIS MIND ABOUT THE WHOLE QUESTION.

RASNER SAID ADENAUER GAVE THE INTERNATIONAL SITUATION AS THE REASON FOR HIS CHANGE, SAYING HE FELT HE COULD NOT AT THIS TIME GIVE UP THE DIRECT REINS OF GOVERNMENT.

A LATER ANNOUNCEMENT SAID ADENAUER'S DECISION WILL BE COMMUNICATED OFFICIALLY TO HIS PART AT THE EMERGENCY MEETING TOMORROW. THE CHRISTIAN DEMOCRATS WERE SEEKING SUSPENSION OF A PARLIAMENTARY BUDGET DEBATE SO THEIR MEMBERS CAN ATTEND THE PARTY HUDDLE.

THERE WAS CONSIDERABLE GRUMBLING AMONG ADENAUER'S SUPPORTERS ABOUT THE DECISION AND THE WAY IT WAS SPREAD BY AN APPARENTLY DELIBERATE LEAK IN THE CORRIDORS OF THE PARLIAMENT BUILDING.

ONLY LAST WEEK ADENAUER HAD TOLD THE PARTY HE WAS GOING TO STICK TO HIS DECISION TO RUN FOR PRESIDENT. HE ALSO TOLD THEM AT THAT TIME HE HAD NOT DECIDED WHICH CANDIDATE HE PREFERRED AS HIS SUCCESSOR AND SAID THAT DECISION WOULD BE TAKEN IN FULL COOPERATION WITH HIS SUPPORTERS.

AS PRESIDENT, ADENAUER WOULD HAVE HAD THE CONSTITUTIONAL RIGHT OF NOMINATING THE CANDIDATE FOR CHANCELLOR. BUT IT WOULD HAVE BEEN USELESS FOR HIM TO PUT FORWARD A MAN NOT SUPPORTED BY THE MAJORITY OF PARLIAMENT. SO HE APPARENTLY DECIDED THAT IF HE COULD NOT GET THE MAN HE WANTED ELECTED, HE WOULD STAY ON THE JOB HIMSELF.

PARTY SOURCES SAID ADENAUER NOW WANTS ETZEL TO BE THE CHRISTIAN DEMOCRAT CANDIDATE FOR PRESIDENT AGAINST SOCIALIST CARLO SCHMID AND FREE DEMOCRAT MAX BECKER.

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B66 (Q)
(230)

BY GARVEN HUGDINS

LONDON, JUNE 4 (AP)-SOME OF THE BEST BRAINS IN THE NORTH ATLANTIC TREATY NATIONS POURED INTO LONDON TODAY TO SUGGEST SOME GUIDE LINES FOR THE ALLIANCE'S FUTURE.

PROFESSORS, BISHOPS, EDITORS AND LEGISLATORS FROM 14 OF THE 15 NATO NATIONS CAME AS PRIVATE CITIZENS FOR TOMORROW'S OPENING SESSION OF THE ATLANTIC CONGRESS, AN UNPRECEDENTED ASSEMBLY TO MARK NATO'S 10TH BIRTHDAY.

ANOTHER DECADE OF THE EAST-WEST POWER STRUGGLE WAS FORECAST IN A SPECIAL REPORT PREPARED BY BRITAIN'S FORMER AMBASSADOR TO MOSCOW, SIR WILLIAM HAYTER.

"I BELIEVE THAT THE COLD WAR BETWEEN THE WEST AND THE SOVIET UNION WILL CONTINUE DURING THE NEXT 10 YEARS," HAYTER SAID. "THE CONFLICT IS PRIMARILY AN IDEOLOGICAL ONE IN WHICH THE WEST IS UNFORTUNATELY BUT INEVITABLY ON THE DEFENSIVE."

HE URGED THAT THE WESTERN COUNTRIES AVOID DIVISIONS AMONG THEMSELVES AND REFRAIN FROM ABANDONING POLICIES JUST BECAUSE SOVIET PREMIER NIKITA S. KHRUSHCHEV DOESN'T LIKE THEM.

MOSCOW RADIO TONIGHT DESCRIBED THE CONGRESS MEETING AS A CHALLENGE TO THE BIG FOUR CONFERENCE IN GENEVA. IT SAID THE TALKS WERE REGARDED AS AN ATTEMPT TO COMPLICATE THE INTERNATIONAL SITUATION AND "DARKEN THE POLITICAN HORIZON WITH THE CLOUDS OF THE COLD WAR."

MORE THAN 600 DELEGATES ARE REGISTERED. THEY ARE TAKING OVER THE THEATER ROYAL IN DRURY LANE NEXT MONDAY FOR A SPECIAL MIDNIGHT PERFORMANCE OF "MY FAIR LADY."

THE CONGRESS HAS NO OFFICIAL STANDING BUT THE RECOMMENDATIONS IT WILL MAKE DURING THE FIVEADAY MEETING WILL BE CLOSELY STUDIED BY NATO GOVERNMENTS.

THESE RECOMMENDATIONS ARE LIKELY TO FALL IN THREE FIELDS -- ECONOMIC AND CULTURAL RELATIONS BETWEEN NATO COUNTRIES; NATO RELATIONS WITH THE WORLD'S UNCOMMITTED COUNTRIES; NATO'S RELATIONS WITH THE COMMUNIST BLOC.

THE BIG SHOW OPENS TOMORROW IN LONDON'S WESTMINSTER HALL WHEN QUEEN ELIZABETH II WILL MAKE A PERSONAL ADDRESS.

LATER SPEAKERS WILL INCLUDE THE SUPREME COMMANDER IN EUROPE, U.S. GEN. LAURIS NORSTAD; THE ALLIED NAVAL COMMANDERS IN THE ATLANTIC; U.S. ADM. JERAULD WRIGHT; THE NETHERLANDS PRINCE BERNHARD AND PRIME MINISTER HAROLD MACMILLAN OF BRITAIN.

NATO SECRETARY GENERAL PAUL-HENRY SPAAK, NETHERLANDS FOREIGN MINISTER JOSEPH LUNS, SEN. JOHN SHERMAN COOPER (D-KY) AND SEN. HUBERT HUMPHREY (D-MINN) ALSO ARE SLATED TO ADDRESS THE CONGRESS.

THE UNITED STATES, WITH 130 REPRESENTATIVES, HAS THE BIGGEST DELEGATION IN TOWN.

AMONG THE OTHER NATIONS, ONLY ICELAND HAD NONE. ICELAND IS A PATRON OF THE CONGRESS, BUT SENT NO DELEGATES TO LONDON BECAUSE OF ITS DISPUTE WITH BRITAIN OVER FISHING LIMITS OFF THE ICELAND SHORE.

THE CONGRESS IS OPERATING ON A \$184,000 BUDGET. GOVERNMENTS, INDUSTRY, FOUNDATIONS AND INDIVIDUALS HAVE CONTRIBUTED TO THE FUND.

R840PED

A159 (AGENCIES & RADIO OUT)
AP FOREIGN SERVICE ADVANCE FOR FRIDAY AMS JUNE 5

RYAN'S IRAN NO. 4 (790)
EDITOR'S NOTE--IRAN HAS LAUNCHED AN ECONOMIC DEVELOPMENT PROGRAM OF VAST SCALE AND GREAT PROMISE. WILLIAM L. RYAN, IN THE LAST OF FOUR ARTICLES, DESCRIBES PROGRESS BEING MADE, THE PROBLEMS AND THE

POTENTIALITIES THAT LIE AHEAD.

BY WILLIAM L. RYAN
AP FOREIGN NEWS ANALYST

(ADVANCE) TEHRAN, JUNE 4 (AP)-IRAN, A NATION IN A HURRY, IS GOING PLACES -- IF ITS PEOPLE GIVE IT TIME.

AN ECONOMIC DEVELOPMENT PROGRAM NOW UNDER WAY IS ONE OF STAGGERING PROPORTIONS FOR A COUNTRY LIKE THIS. GIVEN 10 YEARS, PERHAPS LESS, THIS ANCIENT NATION COULD BEGIN TO REMAKE ITSELF INTO A MODERN INFLUENTIAL POWER IN THE MIDDLE EAST AND ASIA.

WORK WEARY, UNLETTERED MOHAMMED ALY, REPRESENTING 80 PER CENT OF THE NATION'S PREDOMINANTLY AGRICULTURAL POPULATION, IS WILLING TO BE PATIENT. FOR HIM, WHAT IS GOING ON CAN MEAN SOME DAY HIS LABOR WILL BE EASED.

THERE CAN BE ABUNDANT WATER TO FREE HIM FROM THE CENTURIES-OLD SYSTEM OF GHANATS -- DEEP WELLS -- BY WHICH HE IRRIGATES AN UNGENEROUS SOIL. THERE CAN BE NEW INDUSTRIES TO PROVIDE WORK FOR ALL IN THIS UNDERPOPULATED COUNTRY.

BUT AMONG THE OTHER 20 PER CENT THERE ARE MANY LIKE YOUNG MAJID ABAS, EDUCATED ENOUGH TO COMPARE HIS NATION WITH THE WESTERN WORLD AND TO FEEL THE PAINFUL DIFFERENCE. HE IS MORE THAN RESTLESS AND IMPATIENT. HE IS CYNICAL OF HIS GOVERNMENT'S PROMISES. HE WANTS CHANGE, QUICKLY.

MOHAMMED ALY AND MAJID ABAS BOTH WERE ON HAND IN OIL-RICH KHUZESTAN PROVINCE WHEN A NEW POWER LINE WAS OPENED, BRINGING EXCESS POWER FROM THE REFINERY CITY OF ABADAN. IT WAS THE FIRST INSTALLMENT ON A PROMISE.

IF THINGS GO WELL FOR KHUZESTAN AND THE REST OF IRAN, THIS WILL BE ONLY THE BEGINNING. A KHUZESTAN DEVELOPMENT PROGRAM WILL LIGHT UP MANY DARK PLACES AS PART OF IRAN'S SEVEN-YEAR PLAN TO REAWAKEN ANCIENT PERSIAN GLORY.

ONCE KHUZESTAN WAS THE MIDDLE EAST'S MAJOR FOOD PRODUCER. BUT NOW MUCH OF IT IS BARREN SEMIDESERT. IRAN HOPES TO MAKE IT FLOURISH AGAIN. IRAN'S POTENTIAL IS ENORMOUS. WITH OIL MONEY, PRIVATE CAPITAL FROM THE UNITED STATES, U.S. GOVERNMENT AID AND AMERICAN KNOW-HOW, THIS COUNTRY OF 20 MILLION SOME DAY CAN HAVE THE CAPACITY TO FEED MANY TIMES THAT NUMBER.

IF THE PLAN XUCCEEDS, IRAN WILL HAVE A NETWORK OF NEW ROADS, POWER LINES, AIRPORTS, SUGAR REFINERIES, IMPROVED SEAPORTS, EXTENDED RAIL LINES, MODERN COMMUNICATIONS, NEW INDUSTRIES AND ABOVE ALL ABUNDANT WATER -- ALL MADE POSSIBLE BY HER WEALTH OF OIL AND NATURAL GAS.

SHAH MOHAMMED REZA PAHLVI PLANS A SOCIAL REVOLUTION TOO: PROGRAMS FOR EDUCATION, DISEASE CONTROL, FARM MODERNIZATION.

IRAN BANKS ON AMERICAN AID. IN THE FIELD OF AGRICULTURE, ONE OF THE LARGEST TECHNICAL COOPERATION PROGRAMS IN THE WORLD IS BEING CARRIED OUT BY THE INTERNATIONAL COOPERATION ADMINISTRATION. A STAFF OF 310 ICA PERSONNEL IS HELPING IRANIANS MAKE THEIR LAND MORE PRODUCTIVE.

THE RESULTS ARE BEING FELT DIRECTLY BY THE MASS OF PEOPLE. IN THIS IRAN DIFFERS FROM IRAQ, ITS ARAB NEIGHBOR. IRAQ HAD BIG PLANS TOO FOR HER OIL MONEY, BUT WHILE MAJOR BASIC PROGRAMS WERE UNDER WAY, THE MASS OF PEOPLE FELT ALMOST NO EFFECTS AND HAD LITTLE PROSPECT OF DOING SO FOR YEARS.

THE KHUZESTAN PROGRAM DEMONSTRATES IRAN'S VAULTING AMBITION. TO SOME IT SEEMS SUPER-AMBITIOUS, TOO FAST. HOWEVER, THE WORLD BANK IS SAID TO CONSIDER A BIG LOAN TO HELP FINANCE THE PROGRAM.

THE KHUZESTAN DEVELOPMENT SCHEME IS UNDER GENERAL SUPERVISION OF THE RESOURCES AND DEVELOPMENT CORP. OF NEW YORK, HEADED BY DAVID LILIENTHAL AND GORDON CLAPP, BOTH FORMER TENNESSEE VALLEY AUTHORITY CHAIRMEN. IRAN DEVOTES MUCH OF ITS OIL REVENUES TO THE BOLD EFFORT TO PRODUCE A PROSPERITY UNDREAMED OF BY PERSIA IN 25 CENTURIES OF HISTORY.

PART OF THE PROGRAM INVOLVES CONSTRUCTION OF A DEZ RIVER DAM ACROSS A DEEP BAKHTIARI MOUNTAIN GORGE. THE DEZ WINDS INTO A VALLEY AT THE

VILLAGE OF BEZFUL AND JOINS THE KAROON RIVER TO EMPTY INTO THE PERSIAN GULF. A CONTRACT FOR PREPARATORY WORK HAS BEEN LET TO THE MORRISON-KNUDSEN CONSTRUCTORS, INC.

THE SAME FIRM HAS A 45-MILLION-DOLLAR CONTRACT FOR A 590-FOOT DAM, ONE OF THE WORLD'S HIGHEST, AT KARAJ, TO PROVIDE DOMESTIC AND INDUSTRIAL WATER FOR TEHRAN AND HYDROELECTRIC POWER FOR THE CAPITAL AREA. CONSTRUCTION BEGAN LATE IN 1957 AND MAY BE COMPLETED IN 1961. ABOUT 130 AMERICAN AND EUROPEAN ENGINEERS BOSS 2,000 IRANIAN WORKERS ON THE JOB.

MUCH OF IRAN'S OIL INCOME, ESTIMATED AT 260 MILLION DOLLARS FOR 1959, GOES INTO THE GOVERNMENT'S PLAN ORGANIZATION. BUT THE ORGANIZATION ITSELF RECENTLY WAS SHAKEN UP. THIS COULD INDICATE TROUBLE. PLAN CHIEF ABOLHASAN EBTEHAJ WAS REPLACED BY HIS DEPUTY, KHOSROW HEDAYAT. THE ISSUES INVOLVED WERE OBSCURE, BUT INFORMED OPINION WAS THAT EBTEHAJ INSISTED UPON STRICT HONESTY AND RAN UP AGAINST OLD IRANIAN HABITS OF POLITICAL GRAFT.

THERE IS WIDESPREAD ENTHUSIASM FOR THIS PROGRAM AND OTHERS CONNECTED WITH IT THROUGHOUT IRAN. IF THE NATION CAN HOLD DOWN POLITICAL CORRUPTION, IF IT CAN WIN THE CONFIDENCE OF THE NOW CYNICAL AND RESTLESS EDUCATED CLASS, THE PROGRAM HAS GREAT PROMISE.

IRAN IS POTENTIALLY RICH IN MANY RESOURCES BESIDES OIL. THE SHAH EVIDENTLY MEANS TO PUT THESE RESOURCES TO WORK. HE SEEMS TO FEEL THE ONLY WAY TO KEEP BACK THE THREAT OF COMMUNISM IN THE MIDDLE EAST. END ADVANCE FOR FRIDAY AMS JUNE 5, MOVED MAY 27

HA130AED

A116 (210)

MOSCOW, JUNE 4 (AP)-THE SOVIET UNION TODAY PUBLISHED A NOTE TO IRAN DENYING IRANIAN CHARGES THAT RUSSIAN PLANES HAVE VIOLATED THE SOVIET-IRANIAN FRONTIER.

THE RUSSIANS SAID IRAN AND HER ALLIES--THE UNITED STATES, PAKISTAN, BRITAIN AND TURKEY--WERE THE REAL VIOLATORS.

THE SOVIETS CHARGED THAT THE IRANIAN PROTESTS WERE "AIMED AT JUSTIFYING THE POLITICAL COURSE CARRIED OUT BY IRAN IN THE MILITARY AGREEMENT BETWEEN IRAN AND THE UNITED STATES."

IRAN ON MARCH 15 PROTESTED THAT SOVIET PLANES HAD FLOWN OVER THE SOVIET-IRANIAN FRONTIER 81 TIMES BETWEEN LAST NOV. 27 AND FEB. 26. THE RUSSIANS ON MAY 2 DENIED THOSE FLIGHTS AND COUNTERCHARGED THAT FLIGHTS ALONG THE SOVIET BORDER HAD BEEN MADE BY PLANES OF A "THIRD POWER."

IRAN PROTESTED MAY 25 THAT SIX SOVIET FIGHTERS VIOLATED THE FRONTIER AT BELYASUVAR ON MAY 9 AND AGAIN AT A LATER DATE AT ANOTHER POINT.

"THERE IS NO FOUNDATION FOR SUCH ACCUSATIONS," THE LATEST RUSSIAN NOTE SAID. IT CALLED BOTH THE BORDER FLIGHTS CHARGED TO IRAN AND HER ALLIES AND THE IRANIAN PROTESTS "HOSTILE, PROVOCATIVE ACTS DIRECTED AGAINST SOVIET UNION SECURITY."

THE NOTE SAID THESE ACTS MIGHT LEAD TO "SERIOUS CONSEQUENCES...FOR IRAN AND FOR THE CAUSE OF PEACE AND SECURITY."

KS1037AED

A129WX

(200) NIGHT LEAD MISSILES-DEFENSE

WASHINGTON, JUNE 4 (AP)-THE SENATE TODAY APPROVED A HALF BILLION DOLLAR SPENDING AUTHORIZATION FOR THE CIVILIAN SPACE AGENCY.

THERE WERE PREDICTIONS ON BOTH SIDES OF THE AISLE THAT THE FIGURE WILL RISE RAPIDLY FROM NOW ON.

THE MEASURE CARRIES A \$485,300,000 AUTHORIZATION FOR USE OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION DURING THE 12 MONTHS STARTING JULY 1. THIS IS THE EXACT TOTAL RECOMMENDED BY PRESIDENT EISENHOWER. THE BILL NOW GOES BACK TO THE HOUSE FOR ACTION ON SENATE AMENDMENTS.

30.24-7305

THE SENATE VOTE WAS 81-1, SEN. ALLEN J. ELLENDER (D-LA) DISSENTING. ACTUAL FUNDS MUST BE VOTED IN REGULAR APPROPRIATION BILLS.

SEN. JOHN STENNIS (D-MISS.), FLOOR MANAGER FOR THE BILL, TOLD THE SENATE THAT THE COST OF EXPLORING SPACE IS EXPECTED TO HIT TWO BILLION DOLLARS A YEAR BY 1961.

THE REPUBLICAN FLOOR LEADER, SEN. EVERETT M. DIRKSEN OF ILLINOIS, SAID "WE ARE GOING TO FIND OUR BUDGET GOING UP, YEAR AFTER YEAR."

INCLUDED IN THE MEASURE IS 333 MILLION DOLLARS FOR RESEARCH AND DEVELOPMENT ON A WIDE VARIETY OF ROCKETS, SATELLITES, SPACE VEHICLES AND OTHER EXPERIMENTS.

THE AUTHORIZATION IS FOR WORK ON CIVILIAN PROJECTS. IN THE MILITARY FIELD, DR. HERBERT F. YORK, DIRECTOR OF RESEARCH AND ENGINEERING FOR THE DEFENSE DEPARTMENT, CONFIRMED THAT ANTI-MISSILE DEATH RAY EXPERIMENTS ARE UNDER WAY. HE TOLD THE HOUSE SPACE COMMITTEE THEY ARE NOT VERY PROMISING.

CZ1018PED

A163WX (460)

DEATH RAY

WASHINGTON, JUNE 4 (AP)-THE PENTAGON'S RESEARCH CHIEF CONFIRMED TODAY THAT THE UNITED STATES IS EXPERIMENTING WITH A DEATH RAY AS A DEFENSE AGAINST BALLISTIC MISSILES.

BUT DR. HERBERT F. YORK SAID PROSPECTS ARE "NOT VERY PROMISING." DEVELOPING ANY TRULY EFFECTIVE DEFENSE AGAINST MISSILES STILL IS "A HORRENDOUS PROBLEM," YORK TOLD THE HOUSE SPACE COMMITTEE.

YORK, DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING, SAID THE PENTAGON HAS EARMARKED IN THE NEIGHBORHOOD OF 100 MILLION DOLLARS FOR RESEARCH "ON SUCH THINGS AS RAYS FOR INTERCEPTING MISSILES AND ON ANYTHING ELSE THAT LOOKS PROMISING" FOR MISSILE DEFENSE.

THE SUBJECT OF DEATH RAYS WAS BROUGHT UP BY REP. LEONARD G. WOLF (D-IOWA) WHO NOTED THAT ANTIMISSILE RAYS WERE MENTIONED IN SECRET TESTIMONY RELEASED BY THE SPACE COMMITTEE TUESDAY.

IN THAT TESTIMONY ROY W. JOHNSON, DIRECTOR OF THE DEFENSE DEPARTMENT'S ADVANCED RESEARCH PROJECTS AGENCY, INDICATED THAT DEATH RAY RESEARCH WAS UNDEJ WAY. UNDER QUESTIONING, HE SAID, HOWEVER, THAT "AT THE MOMENT IT IS PRETTY MUCH BUCK ROGERS"--OR, IN OTHER WORDS, STILL IN THE DREAM STAGE.

IN TODAY'S TESTIMONY, YORK TOLD THE COMMITTEE HE IS CONFIDENT THE UNITED STATES WILL SURGE AHEAD OF RUSSIA IN ALL MISSILE FIELDS WITHIN A FEW YEARS, BUT DIDN'T SPECIFY HOW MANY YEARS.

HE QUALIFIED HIS PREDICTION OF FUTURE U.S. MISSILE SUPREMACY WITH THE STATEMENT "WE CAN NEVER BE SURE."

RIGHT NOW, YORK SAID, HE THINKS THE UNITED STATES STILL TRAILS THE RUSSIANS IN SUCH FIELDS OF MISSILE PROPULSION, PERFORMANCE AND RELIABILITY.

IN TERMS OF MISSILE GUIDANCE AND CONTROL, YORK SAID HE WAS "MUCH LESS CERTAIN BUT I BELIEVE WE ARE AHEAD."

AS FOR SOLVING THE PROBLEM OF MISSILE NOSE CONE RE-ENTRY "IT'S BASICALLY A TIE. WE KNOW HOW TO DO IT AND WE'RE CONFIDENT THEY KNOW IT TOO."

WE&JC125PED

A136WA

(250) NIGHT LEAD HUMPHREY-NUCLEAR

WASHINGTON, JUNE 4 (AP)-SEN. CLINTON P. ANDERSON (D-NM) TOLD THE SENATE TODAY THE NEW SMALL NUCLEAR WEAPONS SPREAD MORE RADIOACTIVE FALLOUT "PER TON OF BANG" THAN THE GIANT HYDROGEN BOMBS.

HE TOOK THE FLOOR DURING DEBATE STIRRED UP BY A SPEECH BY SEN. HUBERT H. HUMPHREY (D-MINN) URGING STEPPED-UP EFFORTS TO GET A WORKABLE AGREEMENT WITH RUSSIA TO HALT NUCLEAR WEAPONS TESTING.

ANDERSON IS CHAIRMAN OF THE SENATE-HOUSE COMMITTEE ON ATOMIC ENERGY.

HUMPHREY SAID THOSE WHO ADVOCATE CONTINUED TESTING OF NUCLEAR WEAPONS ON THE GROUND THEY WOULD GIVE THE UNITED STATES A DECISIVE ADVANTAGE IN A WAR ARE PROCEEDING ON AN ASSUMPTION THAT IS "COMPLETELY FALLACIOUS."

HE ALSO SAID THAT WHEN HE TRIED TO LEARN THE EXTENT TO WHICH THE ARMED FORCES HAVE BEEN ABLE TO REDUCE THE RESIDUAL RADIOACTIVITY OF TEST BLASTS, MEMBERS OF THE JOINT CHIEFS OF STAFF "WOULD NOT BE COMMUNICATIVE" EVEN IN A SECRET SESSION OF HIS COMMITTEE.

HUMPHREY SAID THIS LED HIM TO SUSPECT THAT "OUR ABILITY TO REDUCE LOCAL FALLOUT IN A LIMITED WAR HAS NOT INCREASED IN FOUR YEARS."

ANDERSON INTERRUPTED TO SAY THAT THE SMALL WEAPON WHICH MIGHT DISCHARGE "A BANG" OF TEN THOUSAND TONS WAS RELATIVELY DIRTIER THAN A BIG BOMB WHICH MIGHT HAVE A "BANG" OF MILLIONS OF TONS.

"I WOULDN'T CARE TO HAVE A SMALL NUCLEAR WEAPON IN MY BACK YARD," ANDERSON SAID.

HUMPHREY SAID THE UNITED STATES IS REPORTEDLY AHEAD OF RUSSIA IN THE DEVELOPMENT OF NUCLEAR WEAPONS BUT "WE WERE MUCH MORE AHEAD THREE YEARS AGO THAN WE ARE NOW."

HE SAID IT WOULD BE TO THIS COUNTRY'S ADVANTAGE TO HALT TESTING, SAYING THAT "WHEN YOU ARE AHEAD IN A POKER GAME, IT'S TIME TO QUIT."

C710A1PED
B54WX (SEG)

(250)

HUMPHREY-NUCLEAR

WASHINGTON, JUNE 4 (AP)-SEN. HUBERT H. HUMPHREY (D-MINN) SAID TODAY THAT THE AMERICAN PEOPLE HAVE BEEN "BRAINWASHED" INTO BELIEVING THEY CAN RELY ALMOST ENTIRELY ON NUCLEAR WEAPONS FOR DEFENSE.

IN A SPEECH PREPARED FOR THE SENATE, HUMPHREY CALLED AGAIN FOR RENEWED EFFORTS TO SEEK AN AGREEMENT AT GENEVA TO STOP NUCLEAR WEAPONS TESTS UNDER A WORKABLE CONTROL SYSTEM. HE TOOK SHARP ISSUE WITH THOSE WHO CONTEND AN EFFECTIVE CONTROL SYSTEM CANNOT BE MADE TO WORK. "IT IS IN THE AREA OF CONVENTIONAL ARMAMENTS AND ARMED FORCES THAT THE UNITED STATES AND THE FREE WORLD SHOULD BUILD UP ITS DEFENSES," HE SAID.

"UNFORTUNATELY, THE ADMINISTRATION AND SOME OF THE ADVOCATES OF CONTINUED NUCLEAR TESTING AT ALL COSTS HAVE PERSUASSED THE AMERICAN PEOPLE THAT A DEFENSE CONSISTING OF NUCLEAR WEAPONS IS ABOUT ALL THAT WE NEED TO HAVE.

"THEY HAVE TRIED TO LULL US INTO THE CONCEPT THAT WE CAN BE STRONG AND DETER AGGRESSION WITHOUT SACRIFICES IN MEN AND MONEY. THIS IS A NEW TYPE OF DEFENSE PANACEA--A KIND OF AUTOMATION..."

"WE HAVE BEEN SO BRAINWASHED ABOUT THIS AUTOMATION OF OUR DEFENSES THAT TODAY WHEN A MEMBER OF CONGRESS RISES TO POINT UP THE TRAGIC LACK OF BALANCE IN OUR DEFENSES, PEOPLE ARE LIKELY TO ACCUSE HIM OF UNDERMINING THE DETERRENT EFFECT OF OUR NUCLEAR ARMS."

PRESIDENT EISENHOWER AND DEFENSE LEADERS REPEATEDLY HAVE MAINTAINED THAT ENOUGH IS BEING SPENT TO MAINTAIN AN ADEQUATELY BALANCED DEFENSE SETUP.

HUMPHREY ADDED "I WISH TO MAKE IT QUITE CLEAR THAT I AM NOT ARGUING THAT WE SHOULD UNILATERALLY FOREGO THE USE OF ATOMIC WEAPONS, THEIR TESTING, DEVELOPMENT AND PRODUCTION, AND THE DETERMINATION TO EMPLOY THEM IF THE WORLD SITUATION BECAME SO INTOLERABLE THAT OUR VERY EXISTENCE AND SURVIVAL WAS AT STAKE."

WE851AED

A145WX

DEVELOPMENT LOANS

WASHINGTON, JUNE 4 (AP)-PRESIDENT EISENHOWER TODAY REJECTED A DEMOCRATIC PROPOSAL TO PUT 7 1/2 BILLION DOLLARS OF AMERICAN LOANS INTO FOREIGN ECONOMIC DEVELOPMENT PROJECTS OVER THE NEXT FIVE YEARS.

SEN. J. WILLIAM FULBRIGHT (D-ARK) MADE PUBLIC A LETTER IN WHICH THE PRESIDENT SAID THE PROPOSAL SEEMED UNWISE. THE LETTER TURNED DOWN COMPLETELY THE IDEA OF FINANCING THE PROJECTS BY BORROWINGS FROM THE TREASURY.

EISENHOWER SAID THE 700 MILLION DOLLARS HE IS ASKING FOR SUCH DEVELOPMENT IN FRIENDLY COUNTRIES FOR THE FISCAL YEAR STARTING JULY 1 IS ADEQUATE.

CZ1111PED

PPL AIRCRAFT CONTRACTS

WASHINGTON, JUNE 4 (AP)-DEFENSE DEPARTMENT SECRECY POLICIES CONCEIVABLY COULD PREVENT GOVERNMENT AUDITORS FROM SPOTTING OVERCHARGES BY CONTRACTORS, HOUSE INVESTIGATORS WERE TOLD TODAY.

THE ISSUE CAME UP AS THE HOUSE ARMED SERVICES INVESTIGATIONS SUBCOMMITTEE CONTINUED A PROBE OF ALLEGED OVERPRICING OF SOME AIR FORCE CONTRACTS. THE GENERAL ACCOUNTING OFFICE HAS TOLD THE INVESTIGATORS THAT IN A YEAR'S WORK, INVOLVING LESS THAN ONE PER CENT OF THE CONTRACTS, IT DISCOVERED 17 MILLION DOLLARS EXCESS COSTS, QUESTIONED ALMOST 14 MILLION MORE AS PROBABLY CONTAINING EXCESSES AND RECOVERED FOUR MILLION.

DIRECTOR LAWRENCE J. POWERS TESTIFIED TODAY GAO, CONGRESS' WATCHDOG OVER GOVERNMENT SPENDING, GENERALLY GETS EXCELLENT COOPERATION FROM THE AIR FORCE. BUT HE SAID A DEFENSE DEPARTMENT DIRECTIVE HAD BEEN CITED TO DENY GAO AUDITORS THE TEXTS OF AIR FORCE INSPECTOR GENERAL'S INSPECTION REPORTS ON SOME PURCHASES. HE SAID THE SERVICE OFFERED INSTEAD TO PROVIDE A SUMMARY.

UNDER FURTHER QUESTIONING, GAO WITNESSES SAID THEY COULD NOT CITE ANY ACTUAL EXAMPLES WHERE SUCH DENIAL PREVENTED THEM FROM AUDITING A CONTRACT. FINALLY REP. PORTER HARDY JR. (D-VA) ASKED, "WE HAVE NO WAY OF KNOWING WHETHER THE SUPPRESSION OF DOCUMENTS YOU SOUGHT HAS EFFECTIVELY CONCEALED OVERCHARGES TO THE GOVERNMENT--IS THAT CORRECT?" "THAT IS CORRECT," POWERS REPLIED.

JC112PED

B83WX (Q)

WASHINGTON, JUNE 4 (AP)-FORMATION OF A U.S.-EURATOM JOINT RESEARCH AND DEVELOPMENT BOARD TO GUIDE REACTOR WORK WAS ANNOUNCED TODAY.

THE 12-MEMBER GROUP, WITH EQUAL REPRESENTATION FOR THE U.S. ATOMIC ENERGY COMMISSION AND THE COMMISSION OF THE EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM), WILL HAVE PROVISIONAL HEADQUARTERS IN BRUSSELS.

THE VOTING MEMBERS ARE: FOR AEC--AMASA S. BISHOP OF CLEVELAND, FORMER AEC SCIENTIFIC REPRESENTATIVE IN PARIS, AND FOR EURATOM: JULES GUERON OF FRANCE, DIRECTOR GENERAL OF THE EURATOM RESEARCH DIVISION.

THE ANNOUNCEMENT, RELEASED HERE BY AEC, SAID THE FUNCTION OF THE JOINT BOARD WILL INCLUDE REVIEW, EVALUATION AND SELECTION OF PROPOSALS AND OVER-ALL TECHNICAL GUIDANCE OF THE REACTOR WORK FOR WHICH CONTRACTS ARE GIVEN.

JC1136AED NM

663

WX BA

BRUSSELS, JUNE 4 (AP)-THE EUROPEAN ATOMIC ENERGY COMMITTEE (EURATOM) EXECUTIVE AND THE U.S. ATOMIC ENERGY COMMISSION TODAY NAMED ELEVEN MEMBERS APPOINTED TO THE JOINT COMMITTEE FOR NUCLEAR RESEARCH AND DEVELOPMENT.

THE AEC APPOINTED ANASA S. BISHOP, MARCUS RONDEN, JOHN RYAN, JARVIS SCHWENNESSIN, NELSON SIEVERING AND WILL NAME ONE MORE MEMBER.

THE EURATOM EXECUTIVE APPOINTED JULES GUERON, ERNST ENRINGER, PIERRE KRUYS, PIERRE HACIVET, CLAUDE RAMADIER AND THEODORE VOGELAAR. THE MAIN AIM OF THE COMMITTEE WILL BE TO CONTROL THE POWER NUCLEAR REACTORS TO BE BUILT IN THE EUROPEAN COMMUNITY'S SIX COUNTRIES.

THE JOINT COMMITTEE OFFICE IS TEMPORARILY IN BRUSSELS.

WW755PBD

B69WX u
(300)

COMMON MARKET

WASHINGTON, JUNE 4 (AP)-EUROPE'S SIX-NATION COMMON MARKET (CAPS CM) WAS PRAISED TODAY IN A PRIVATE STUDY WHICH ALSO URGED THE UNITED STATES TO TAKE THE LEAD IN REDUCING BARRIERS TO WORLD TRADE.

"A MAJOR STEP TOWARD POLITICAL UNITY AND ECONOMIC GROWTH IN EUROPE WHICH CAN STRENGTHEN THE ENTIRE FREE WORLD," THE REPORT OF THE COMMITTEE FOR ECONOMIC DEVELOPMENT CALLED THE COMMON MARKET.

CED IS A COMMITTEE OF 160 PROMINENT U. S. BUSINESS EXECUTIVES WHO PRIVATELY STUDY NATIONAL ECONOMIC PROBLEMS. THE STUDY WAS MADE BY 49 CED TRUSTEES.

THE COMMITTEE PREDICTED THAT SIMILAR GROUPINGS MAY DEVELOP ELSEWHERE, ADDING "SIMILAR ARRANGEMENTS SHOULD BE THOROUGHLY EXPLORED IN OTHER AREAS SUCH AS LATIN AMERICA."

THE 152-PAGE REPORT SAID A BASIC CHANGE IS REQUIRED IN UNITED STATES POLICY CONCERNING TARIFFS AND "OTHER PROTECTIONIST DEVICES."

"NOTHING WOULD BE MORE VALUABLE IN PREVENTING THE NEW ECONOMIC REGIONALISM FROM DEGENERATING INTO A NEW ECONOMIC ISOLATIONISM THAN A NEW INITIATIVE BY THE UNITED STATES FOR THE REDUCTION OF BARRIERS TO TRADE," THE REPORT ADDED.

CED STRESSED THE NECESSITY OF AVOIDING A SPLIT BETWEEN THE COMMON MARKET AND THE 11 WESTERN EUROPEAN NATIONS THAT REMAINED OUTSIDE. THE COMMON MARKET IS AN ASSOCIATION OF FRANCE, ITALY, GERMANY, BELGIUM, THE NETHERLANDS AND LUXEMBOURG.

TOGETHER WITH ITS POLICY STATEMENT CED PUBLISHED A REPORT ON THE EUROPEAN ECONOMIC COMMUNITY BY THE EUROPEAN COMMITTEE FOR ECONOMIC AND SOCIAL PROGRESS (CEPES), AN ORGANIZATION SIMILAR TO CED, COMPRISING BUSINESSMEN AND ECONOMIC EXPERTS OF FRANCE, ITALY AND GERMANY.

THE CEPES REPORT SAID NATIONS OF WESTERN EUROPE "HAVE COME TO REALIZE THAT THEY MUST EITHER DIE TOGETHER--AND TIME WILL ACCOMPLISH THIS IF MATTERS ARE LEFT TO RUN THEIR COURSE--OR SURVIVE TOGETHER. IF THEY ARE TO SURVIVE TOGETHER NEW LIFELINES MUST BE WOVEN IN PLACE OF THE OLD ONES THAT HAVE BEEN PARTED OR ARE WEARING DANGEROUSLY THIN."

WE1027AED

664

30.24-7307

WZ DA

BRUSSELS, JUNE 4 (AP)-WALTER HALLSTEIN, ETIENNE HIRSCH AND PAUL FINET, RESPECTIVELY PRESIDENTS OF EUROPEAN ECONOMIC, ATOMIC AND COAL AND STEEL COMMUNITIES EXECUTIVES, WILL ARRIVE IN WASHINGTON JUNE 9, ON A THREE-DAY OFFICIAL VISIT.

JUNE 13-22 THEY WILL TOUR THE UNITED STATES ON A NON-OFFICIAL VISIT, MEETING REPRESENTATIVES OF THE AMERICAN INDUSTRIES, SCIENTISTS AND OTHER UNIVERSITY PEOPLE. LATER THEY WILL VISIT CANADA.

WW755PBD

A136 (250)

WIESBADEN, GERMANY, JUNE 4 (AP)-A SPECIAL TEAM OF INVESTIGATORS HAS BEEN CHARGED WITH LOOKING INTO THE WARTIME CRASH OF AN AMERICAN LIBERATOR BOMBER IN THE LIBYAN DESERT 16 YEARS AGO, THE U.S. AIR FORCE REPORTED TODAY.

IT SAID THE DISCOVERY OF THE BIG BOMBER IN THE TRACKLESS WASTES HAS PRESENTED ONE OF THE GREATEST AIR MYSTERIES OF MODERN TIMES.

THE BIG WORLD WAR II CRAFT WAS DISCOVERED RECENTLY LYING FULLY VISIBLE ON HARD-PACKED SAND 380 MILES SOUTH OF BENGASI BY A GEOLOGICAL RESEARCH TEAM OF A PROSPECTING OIL COMPANY.

THE GEOLOGISTS' REPORTS HAVE BEEN VERIFIED IN A NINE-HOUR RECONNAISSANCE FLIGHT OF AN AIR FORCE RESCUE PLANE.

ACCORDING TO THE AIR FORCE ANNOUNCEMENT TODAY, THE BIG QUESTION FACING INVESTIGATORS IS WHETHER ANY OF THE LIBERATOR'S CREW SURVIVED THE BELLY LANDING. IF SO, WHERE ARE THEY, IF NOT, WHERE ARE THE REMAINS?

CAPT. MYRON D. FULLER AND MRS. WESLEY A. NEEP OF THE U.S. ARMY MORTUARY SERVICE PLAN TO GO TO THE SCENE TO FIND AN ANSWER.

THE TWO, ASSISTED BY AIDS, PLAN TO LAND A SMALL AIRCRAFT FROM THE U.S. AIR FORCE BASE AT WHEELUS FIELD NEAR THE WRECK.

ACTUALLY, THE AIR FORCE SAID THE LIBERATOR SHOWS LITTLE SIGN OF DAMAGE.

NOMADIC TRIBESMEN WHO ROAM THE DESERT APPARENTLY HAD NEVER SEEN THE PLANE.

FLIGHT GEAR AND FATIGUE CLOTHING STILL HANG FROM THEIR ORIGINAL PLACES INSIDE THE PLANE. WATER JUGS ARE STILL FULL. GUNS AND AMMUNITION ARE UNTOUCHED AND SO ARE PAPERS AND LOGBOOKS.

THE LOG, WHICH DID NOT NAME THE VANISHED CREW, SHOWED THE LIBERATOR HAD DONE A TOTAL OF 160 HOURS FLYING TIME BEFORE CRASHING EARLY IN 1943.

THE LIBERATOR WAS PART OF A LARGE U.S. BOMBER FLEET OPERATING FROM NORTH AFRICAN BASES IN WORLD WAR II. THE AIR FORCE SAID IT PROBABLY WAS RETURNING FROM A HIGH-ALTITUDE MISSION AGAINST NAPLES WHEN IT CRASHED UNDER UNDERTERMINED CIRCUMSTANCES.

A U.S. AIR FORCE SPOKESMAN SAID THE NUMBERS ON THE PLANE ARE BEING CHECKED THROUGH THE CASUALTY BRANCH OF THE DEFENSE DEPARTMENT IN WASHINGTON TO FIND OUT THE NAMES OF THE CREW.

RK133PED

A33

-95-

TOKYO, JUNE 4 (AP)-JET PLANES BELIEVED TO BE RUSSIAN MADE THREE OBSERVATION APPROACHES ON AMERICAN AIRLINER OVER THE NORTH PACIFIC TODAY MORE THAN 200 MILES OFF SOVIET TERRITORY, NORTHWEST AIRLINES REPORTED.

THE U.S. AIR FORCE SAID IT HAD NO PLANES IN THE AREA AT THE TIME, PROMPTING SPECULATION THAT SOVIET FIGHTERS HAD APPROACHED THE SEATTLE-TO-TOKYO NORTHWEST DC7C.

THE PLANE CREW REPORTED THAT THE CLOSEST APPROACH CAME WITHIN TWO OR THREE MILES BUT THE PLANE OR PLANES DID NOT CROSS IN FRONT OF THE AIRLINER.

THE AMERICAN PLANE CONTINUED ON COURSE AND REACHED TOKYO AHEAD OF SCHEDULE. ITS 46 PASSENGERS WERE ASLEEP AND APPARENTLY UNAWARE OF THE INCIDENT.

A NORTHWEST SPOKESMAN SAID THE MYSTERY PLANES APPEARED WHEN THE AIRLINER WAS SOME 200 MILES SOUTHEAST OF THE SOVIET UNION'S KAMCHATKA PENINSULA, AT 50 DEGREES 30 MINUTES NORTH LATITUDE, 162 DEGREES 35 MINUTES EAST LONGITUDE, AND IN THE CENTER OF THE BUSY COMMERCIAL AIRLANE USED BY FIVE U.S., CANADIAN AND EUROPEAN COMPANIES.

SIBERIAN-BASED SOVIET JETS HAVE RECENTLY BEEN REPORTED PATROLING THE REGION OF THE GREAT CIRCLE AIRLANE BETWEEN JAPAN AND ALASKA.

AN AIRLINE SPOKESMAN SAID FROM VAPOR TRAILS AND SPECKS IN THE DAWN SKY, IT WAS ASSUMED TWO OR THREE JETS WERE INVOLVED. THE PLANES DROPPED TWO FLATES, PRESUMABLY TO IDENTIFY THE AMERICAN CRAFT.

THE AIRLINER'S CAPTAIN, IRA BORTLES OF SEATTLE, SAID THE FIRST APPROACH WAS MADE FROM THE DIRECTION OF SIBERIA BY A SINGLE-JET FIGHTER OF SOME SORT. HE SAID THE PLANE "CHANGED COURSE AS IF TO CROSS IN FRONT OF US, AND WHEN HE WAS TWO TO THREE MILES FROM US, TURNED LEFT AND AWAY."

LESS THAN A MINUTE LATER, BORTLES CONTINUED, A BRIGHT WHITE FLATE WAS SPOTTED, AND THE AIRLINER PASSED WITHIN A MILE OR TWO OF IT.

WHILE WATCHING THE FLARE, THE PLANE CREW SAW ANOTHER JET--OR THE FIRST ONE--APPEAR AGAIN ON THE RIGHT, COME WITHIN 10 MILES, THEN TURN AWAY. A MINUTE OR TWO LATER ANOTHER JET APPEARED ON THE SAME SIDE, CAME WITHIN 10 OR 15 MILES AND DISAPPEARED BEHIND THE AIRLINER.

"ON THIS THIRD APPROACH THERE WAS ANOTHER FLARE," BORTLES SAID.

THE AIRLINER WAS FLYING AT 20,000 FEET.
EDS: ABOVE SHOULD CARRY BYLINE BY GENE KRAMER.

A93WX (SUB)
(350) RUSSIAN SUB
BY ELTON C. FAY

WASHINGTON, JUNE 4 (AP)-THE NAVY SAID TONIGHT A RUSSIAN SUBMARINE WAS SIGHTED BY A U.S. SUBMARINE AND AIRPLANE OFF THE COAST OF ICELAND JUST A WEEK AGO.

IN RESPONSE TO QUESTIONS, THE NAVY REPORTED ONLY THAT:
"A SOVIET SUBMARINE WAS SIGHTED ON THE SURFACE SOUTH OF ICELAND AT 8:26 P.M., EDT, MAY 29 BY THE SUBMARINE GRENADE AND A NAVY PATROL PLANE. GRENADE AND THE PATROL PLANE WERE ENGAGED IN EXERCISES."

NAVY SPOKESMEN WERE UNABLE TO SAY WHETHER THE SOVIET SUBMARINE APPEARED TO BE A CONVENTIONAL ATTACK TYPE OR A MISSILE LAUNCHER.

THE REFERENCE TO NAVY EXERCISES MAY HAVE MEANT THAT THE SOVIET SUBMERSIBLE WAS WATCHING U.S. NAVAL OPERATIONS.

THE POSITION OF THE RUSSIAN SUBMERSIBLE WAS UNDERSTOOD TO HAVE BEEN ABOUT 150 TO 200 MILES SOUTH OF ICELAND. THIS EXIT FROM THE NORWEGIAN SEA IS COMMONLY USED BY RUSSIAN SHIPS, INCLUDING NAVAL VESSELS, IN ENTERING THE ATLANTIC FROM RUSSIAN ARCTIC PORTS IN THE BARENTS SEA.

THIS LATEST SIGHTING TOOK PLACE ON THE HIGH SEAS FAR FROM THE UNITED STATES. HOWEVER, DURING RECENT YEARS, VARIOUS SIGHTINGS OF UNIDENTIFIED SUBMARINES HAVE BEEN REPORTED ALONG THE NORTH AMERICAN COAST. IN EACH CASE, THE NAVY HAS SAID AN INVESTIGATION WAS MADE BUT LEFT INDEFINITE WHETHER THE ACTUAL PRESENCE OF A SUBMARINE WAS VERIFIED.

THE GRENADE IS A CONVENTIONALLY POWERED ATTACK SUBMARINE, CONVERTED FOR USE OF DIESEL ENGINES WHILE SUBMERGED TO PERISCOPE DEPTH. SUCH A SUBMARINE CAN TRAVEL MUCH FASTER THAN BY USING HER ELECTRIC BATTERY POWER.

THERE WAS NO INDICATION WHETHER THE RUSSIAN SUBMARINE WAS CONVENTIONAL OR NUCLEAR POWERED. U.S. NAVY OFFICIALS SAY PUBLICLY THAT WHILE IT MUST BE ASSUMED RUSSIA HAS THE CAPABILITY OF BUILDING NUCLEAR POWERED SUBMARINES, NONE HAS BEEN SIGHTED.

SOME UNOFFICIAL REPORTS FROM OVERSEAS ESTIMATE THAT RUSSIA MAY HAVE OR BE BUILDING AS MANY AS A DOZEN ATOMIC SUBMARINES.

JC735PED

A164

(180) UNITED NATIONS, N.Y., JUNE 4 (AP)-DAG HAMMARSKJOLD INDICATED TODAY HE IS HAVING AN ARGUMENT WITH THE EGYPTIAN GOVERNMENT ABOUT THE QUESTION OF FREE SHIP PASSAGE THROUGH THE SUEZ CANAL.

THE U.N. SECRETARY GENERAL TOLD A NEWS CONFERENCE HE HAD TAKEN A STAND IN THE CURRENT DISPUTE OVER EGYPT'S SEIZURE OF CARGOES FROM ISRAEL BOUND THROUGH THE CANAL ON NON-ISRAELI VESSELS. BUT HE SAID HE DID NOT WANT TO DISCLOSE THIS STAND NOW, BECAUSE:

1. "IT IS PART OF THE RUNNING NEGOTIATIONS"
2. "THE FACTS ARE INSUFFICIENTLY KNOWN."

DISPATCHES FROM PORT SAID SAID EGYPTIAN AUTHORITIES IN THE UNITED ARAB REPUBLIC TUESDAY ORDERED SEIZURE OF AN ISRAELI CARGO FROM THE DANISH FREIGHTER INGE TOFT, BUT THE OWNERS REFUSED TO UNLOAD IT. THEY PREVIOUSLY HAD CONFISCATED SUCH CARGOES IN FEBRUARY AND MARCH.

Premier DAVID BEN-GURION OF ISRAEL ACCUSED THE EGYPTIANS OF STRIKING A BLOW AT THE U.N. A CORRESPONDENT RAISED THE ISSUE AT TODAY'S NEWS CONFERENCE IN ASKING HAMMARSKJOLD FOR COMMENT ON BEN-GURION'S STATEMENT.

WHILE DECLINING TO GO INTO DETAIL ON HIS STAND, HAMMARSKJOLD SAID IT WAS BASED ON EGYPT'S UNILATERAL 1957 DECLARATION THAT SHE WOULD MAINTAIN "FREE AND UNINTERRUPTED NAVIGATION FOR ALL NATIONS" WITHIN THE LIMITS OF THE 1888 SUEZ CANAL CONVENTION. HAMMARSKJOLD WAS ASKED IF HE REGARDED THIS DECLARATION THE LEADING INTERNATIONAL DOCUMENT IN THE CASE.

"NO, NOT NECESSARILY," HE REPLIED. "BUT THE EGYPTIAN GOVERNMENT REGARDS IT AS SUCH, AND FOR THAT REASON, IN AN ARGUMENT WITH THE EGYPTIAN GOVERNMENT, IT IS NATURAL THAT DISCUSSION SHOULD BE CONDUCTED ON A LEGAL BASIS WHICH THEY HAVE ESTABLISHED AND TO WHICH THEY FREELY HOLD."

RK131PED

B114 (Q)

AP FOREIGN SERVICE ADVANCE 5 P.M. EST THURSDAY JUNE 4
BY MILTON BESSER (350)

(ADVANCE) UNITED NATIONS, N.Y., JUNE 4 (AP)-NAURU, SMALLEST OF THE U.N. TRUST TERRITORIES, IS MOSTLY A PACIFIC ISLAND PARADISE. BUT THERE IS A CLOUD ON THE HORIZON THREATENING THE ECONOMIC FUTURE OF ITS 2,158 RESIDENTS.

THIS WAS DISCLOSED IN A REPORT BY A U.N. VISITING MISSION SUBMITTED TODAY TO THE 14-NATION TRUSTEESHIP COUNCIL.

NAURU, SITUATED CLOSE TO THE EQUATOR, HAS A LAND AREA JUST OVER EIGHT SQUARE MILES. AUSTRALIA ADMINISTERS THE ISLAND ON BEHALF OF ITSELF, NEW ZEALAND AND BRITAIN.

LIFE ON THE ISLAND, SAID THE FOUR-MAN VISITING MISSION, IS PRETTY GOOD. AS A MATTER OF FACT IT IS SO GOOD THAT THERE ARE REALLY FEW INCENTIVES FOR THE NATIVES TO EXERT OTHER THAN THE MINIMUM ENERGY TO GET ALONG.

THEY LIVE IN EUROPEAN-TYPE HOUSES, BUILT AND DESIGNED TO MEET LOCAL CLIMATIC CONDITIONS. MANY HAVE ELECTRIC LIGHTING. BICYCLES, MOTORCYCLES AND CARS ARE PLENTIFUL--MANY DRIVEN BY NAURUAN WOMEN. THE ECONOMY IS MOSTLY ON A CASH BASIS.

THE PEOPLE ARE FRIENDLY, FULLY CHRISTIANIZED WITH A FAIRLY HIGH DEGREE OF INNATE INTELLIGENCE.

ON NO OTHER PACIFIC ISLAND VISITED, WITH THE EXCEPTION OF HAWAII AND GUAM, DID THE MISSION FIND SUCH A HIGH STANDARD OF LIVING BY NATIVES.

THE MAIN ECONOMIC RESOURCE OF THE ISLAND IS ITS PHOSPHATE INDUSTRY, A PRIVATE ENTERPRISE UNDER BRITISH CONTROL. QUITE A FEW ISLANDERS RECEIVE ROYALTIES FROM THEIR PHOSPHATE LANDS. OTHERS WORK FOR THE BRITISH, THE ISLAND'S ADMINISTRATION, OR IN PRIVATE ENTERPRISE SUPPORTED BY THE INDUSTRY.

BUT THE U.N. MISSION WARNED OF TROUBLE AHEAD. THE PHOSPHATE DEPOSITS MAY BE EXHAUSTED IN ANOTHER 40 YEARS.

THE NAURU LOCAL GOVERNMENT COUNCIL TOLD THE MISSION THE U.N. SHOULD EXPLORE THE POSSIBILITIES OF FINDING ANOTHER ISLAND, PREFERABLY IN THE PACIFIC, TO RELOCATE THE NAURU PEOPLE.

SURVEYS ALREADY HAVE BEEN MADE OF ISLANDS OFF NEW GUINEA. A COMMITTEE HAS BEEN NAMED BY THE AUSTRALIAN ADMINISTERING AUTHORITY TO DRAFT CONCRETE PROPOSALS FOR SUBMISSION TO THE NAURUANS.

THE MISSION SUGGESTED THAT IF NO SUITABLE ISLAND CAN BE FOUND CONSIDERATION SHOULD BE GIVEN TO MOVING THE NAURUAN COMMUNITY TO A METROPOLITAN COUNTRY WHERE THE STANDARD OF LIVING IS COMPARABLE TO THAT NOW ENJOYED BY THE NAURUANS.

BUT MEMBERS OF THE MISSION--CHIPING H.C. KIANG OF NATIONALIST CHINA, ALFRED CLAEYS BOUUAERT OF BELGIUM, U TIN MAUNG OF BURMA AND SERGIO KOCIANCICH OF ITALY--DIDN'T COME UP WITH A SPECIFIC COUNTRY.

ADMITTEDLY, IT WILL BE TOUGH FINDING A SUBSTITUTE FOR PARADISE.
END ADVANCE FOR USE AT 5 P.M. EST THURSDAY JUNE 44-SENT JUNE 3

SJ155AED

A106 400

AP FOREIGN SERVICE ADVANCE FOR THURSDAY PMS
BY ROY ESSOYAN

(ADVANCE) MACAO, JUNE 4 (AP)--A FAMILY WHICH LEFT COMMUNIST SHANGHAI IN MAY SAYS THE SITUATION THERE HAS WORSENED UNBELIEVABLY IN RECENT MONTHS.

MRS. ELIZABETH FREY CHU, BORN IN EUROPE, DECLARED:

"THE ATMOSPHERE OF FEAR AND SUSPICION IS TERRIBLE."
HER CHINESE HUSBAND CHU TZE-LING AND SONS RAYMOND, 17, AND PATRICK, 9, ASSENTED VIGOROUSLY. THE FATHER SAID:

30.24-7309

"THINGS HAVE BEEN GETTING WORSE EVERY YEAR FOR THE PAST 10 YEARS. THERE IS GROWING DISCONTENT NOW BUT THERE'S NO HOPE OF REVOLUTION.

"EVERYBODY'S SCARED. THEY THINK EVERYONE IS A SPY. NOBODY SPEAKS FREELY. THEY JUST WORK AND KEEP THEIR MOUTHS SHUT.

"ANY TIME ANYONE MAKES A CHANCE REMARK AGAINST THE REGIME, HE'S HAULED UP BEFORE A MASS MEETING AND SCREAMED AT AND DENOUNCED."

CHU SAID "THE COMMUNISTS JUST TIGHTEN THE SCREWS ANOTHER NOTCH" AT ANY SIGN OF DISCONTENT.

THIS FAMILY WAS IN SHANGHAI WHEN THE COMMUNISTS TOOK OVER IN 1949. CHU LOST HIS JOB AT THE BANK OF CHINA, TRIED TEACHING, UNDERWENT TWO YEARS OF BRAINWASHING AND EKED OUT A LIVING BY SELLING HIS BELONGINGS UNTIL THE REDS FINALLY ALLOWED THE FAMILY TO LEAVE.

MRS. CHU SAID SHE WAS FOLLOWED AROUND CONSTANTLY BECAUSE FOREIGNERS LEFT IN CHINA ARE SUSPECT. SOME CHINESE TOOK HER FOR A RUSSIAN, BUT THAT DIDN'T HOP:

"THEY DON'T LIKE THE RUSSIANS. OFTEN I'D HEAR THEM MUTTERING CURSES AT ME AS I PASSED."

MRS. CHU IS A CZECH BY BIRTH. HER HUSBAND SPENT 15 YEARS IN FRANCE, STUDYING THE WORKING FOR THE CHINESE NATIONALIST EMBASSY. SHE ADOPTED HIS NATIONALITY WHEN THEY MARRIED IN PARIS IN 1941.

"THE FOOD SHORTAGE IS THE WORST IN 10 YEARS," SHE SAID. "THE MEAT RATION WAS DOWN TO EIGHT OUNCES A MONTH WHEN WE LEFT, AND THERE WAS NO BEEF, EGGS OR FISH, AND VERY FEW VEGETABLES.

"MOST OF THE PEOPLE ATE BAD RICE, OR MUSH, AND HEAVY CAKES MADE OUT OF A MIXTURE OF STALE FLOUR AND SWEET POTATO."

HER HUSBAND COMMENTED:

"THE PEOPLE WORK HARD AND LONG, 14-16 HOURS A DAY, BUT THEY DO IT ONLY BECAUSE THEY'RE FORCED TO. THERE'S NO PRIDE IN LABOR AND THIS CAUSES PRODUCTION LOSSES AND ACCIDENTS WHEN MACHINES BREAK DOWN."

RAYMOND CHU SAID STUDENTS AT HIS SCHOOL AMUSED THEMSELVES BY HOLDING TEA PARTIES IN CLASS AND PELTING THE TEACHER WITH SPITBALLS. THERE IS LITTLE INCLINATION TO STUDY, HE SAID, BECAUSE STUDENTS ARE REQUIRED TO WORK IN THE FIELDS MOST OF THE TIME.

THE CHUS WERE INTERVIEWED AT THE CATHOLIC MISSION REFUGEE CENTER HERE. THEY HAVE BEEN GRANTED ASYLUM IN PORTUGUESE MACAO.

THEY HOPE TO GO BACK TO FRANCE OR MIGRATE TO THE UNITED STATES. MRS. CHU SAID SHE HAS A SISTER, MRS. LOUISA BENEFLY IN (7918 HOLTON AVENUE) CLEVELAND, OHIO, BUT HASN'T HEARD FROM HER IN 10 YEARS.

END ADVANCE FOR THURSDAY PMS--MOVED JUNE 3

HWS5RAED

A38C0

ROSSMEISL (400)

BY JOHN P. BREWER

CINCINNATI, JUNE 4 (AP)--KURT FRANZ ROSSMEISL LEARNED TODAY HE MUST LEAVE THE UNITED STATES--THE COUNTRY HE ADOPTED ILLEGALLY. HE AGREED TO GO OF HIS OWN ACCORD.

BUT THE ONETIME GERMAN ARMY OFFICER WHO ESCAPED FROM A PRISONER OF WAR CAMP SAID HE DOESN'T WANT TO GET FAR FROM AMERICA.

"I HOPE TO GO TO MEXICO," HE SAID, "AND GO TO THE NEAREST AMERICAN CONSULATE AND APPLY FOR AN AMERICAN VISA."

MILTON V. MILICH, HEARING OFFICER FOR THE U.S. IMMIGRATION AND NATURALIZATION SERVICE, RULED ROSSMEISL IS IN THIS COUNTRY ILLEGALLY BECAUSE HE HAS NO VALID VISA.

HE ALSO HAS NO PASSPORT. THAT IS HIS BIG WORRY RIGHT NOW. MILICH SAID ROSSMEISL'S ONLY OPTION IS TO LEAVE THE COUNTRY VOLUNTARILY. OTHERWISE, HE MUST BE DEPORTED.

ROSSMEISL SAID HE ASKED THE GERMAN EMBASSY AT WASHINGTON TO HELP HIM GET A PASSPORT.

HIS ORIGINAL HOME WAS IN AUSTRIA-HUNGARY. IT WAS LATER ABSORBED BY CZECHOSLOVAKIA. THEN GERMANY, UNDER HITLER, ANNEXED IT AS PART OF THE SUDETENLAND. NOW IT IS UNDER CZECH RULE AGAIN.

HOWEVER, A RULING OF HITLER'S MADE GERMANS OF ALL SUDETENLAND RESIDENTS.

IN ANY CASE, ROSSMEISL SAID THAT IF HE HAD TO BE DEPARTED, HIS ONLY PREFERENCE WAS "ANY PLACE BUT GERMANY."

A SPOKESMAN FOR THE IMMIGRATION AND NATURALIZATION SERVICE SAID ROSSMEISL PROBABLY WILL BE GIVEN 30 DAYS TO GET HIS AFFAIRS IN ORDER BEFORE LEAVING THE COUNTRY, AND MORE TIME IF HE NEEDS IT.

ROSSMEISL, NOW 53 AND BALDING, IS HAMPERED BY ARTHRITIS.

HE HAD NO MONEY WHEN HE TURNED HIMSELF IN TO THE FBI HERE MAY 10. HE SAID TODAY HE HAS SOLD THE RIGHTS TO HIS LIFE STORY AND NOW HAS SOME MONEY.

A MASTER OF NINE LANGUAGES, HE WAS A LINGUIST WITH ROMMEL'S AFRIKA KORPS WHEN HE WAS CAPTURED IN 1943.

ROSSMEISL CAME HERE FROM CHICAGO, WHERE HE QUIETLY, ANONYMOUSLY, HAD SPENT 14 YEARS AFTER ESCAPING FROM A NORTH CAROLINA POW CAMP IN AUGUST 1945.

HE TOLD MILICH HE ESCAPED "BECAUSE I KNEW I WOULDN'T BE ALLOWED TO STAY IN THIS COUNTRY. I ALSO KNEW OF THE PERILS IN EUROPE.

"I ENJOYED MY STAY AT CAMP BUTNER (N.C.). I HAD TASTED THE FRUITS OF LIBERTY WHICH THE AMERICAN PEOPLE ENJOY AND I WAS DETERMINED TO BE A PART OF IT."

ROSSMEISL SAID HE LEARNED ONLY TODAY THAT HIS WARTIME DUTCH WIFE, ANNA, AND THEIR DAUGHTER, BRUNNHILDE, NOW 17, STILL LIVE IN THE HAGUE, NETHERLANDS.

BUT HE SAID A NEWSPAPER REPORT INDICATED ANNA DIVORCED HIM, REMARRIED AND HAS THREE OTHER CHILDREN.

"THE PAPER SAID NOBODY KNEW SHE WAS MARRIED TO A GERMAN OFFICER," ROSSMEISL SAID. "I WISH HER ALL THE LUCK IN THE WORLD WITH THE KIDS AND THE NEW HUSBAND.

"THE PAPER SAID SHE DOESN'T WANT TO SEE ME."

ROSSMEISL SAID HE WON'T APPEAL MILICH'S DECISION TO THE APPEALS BOARD AT WASHINGTON.

"EVERYONE HAS BEEN VERY KIND TO ME TO LET ME LEAVE BY MYSELF.
"IF I ONLY HAD A PASSPORT NOW. . . .

C336PES

B44DT Q (HEARST)

(190)

DETROIT, JUNE 4 (AP)-NIKITA KHRUSHCHEV IS DETERMINED TO GET A PERSONAL SUMMIT MEETING WITH PRESIDENT EISENHOWER FOR THE SATISFACTION OF HIS OWN EGO.

AND THE UNITED STATES WOULD DO WELL TO GET AS MUCH AMERICAN JAZZ MUSIC AS POSSIBLE BEHIND SOVIET RUSSIA'S IRON CURTAIN.

WILLIAM RANDOLPH HEARST JR., EDITOR-IN-CHIEF OF THE HEARST NEWSPAPERS, MADE THESE OBSERVATIONS IN A TALK TO CIVIC AND INDUSTRY LEADERS AT A DETROIT PRESS CLUB LUNCHEON YESTERDAY.

HEARST SAID RUSSIA'S PREMIER KHRUSHCHEV WANTS TO MEET WITH EISENHOWER TO BUILD UP HIS STATURE BEFORE THE WORLD, PARTICULARLY BECAUSE HE (KRUSHCHEV) WAS ONLY A SUBORDINATE AT THE GENEVA SUMMIT CONFERENCES A FEW YEARS AGO.

MORE AMERICAN JAZZ MUSIC IN RUSSIA WOULD COME FROM AN AMERICAN POLICE OF MATCHING RUSSIA'S CULTURAL PROPAGANDA. THIS HEARST URGED AS NECESSARY FOR THE FUTURE.

AMERICAN JAZZ MUSIC AND POLAND, HEARST SAID, ARE THE "TWO MOST SUBVERSIVE THINGS BEHIND THE IRON CURTAIN."

THE REFERENCE TO POLAND APPARENTLY WAS IN REFERENCE TO THAT COMMUNIST COUNTRY'S LESS-THAN-COMPLETE ADHERENCE TO KREMLIN POLICIES.

HEARST, WINNER OF A PULITZER PRIZE FOR HIS REPORTING FROM RUSSIA SAID TOO FEW U.S. POLICY MAKERS UNDERSTOOD THE BREADTH OF THE SOVIET'S DRIVE FOR WORLD POWER. HE SAID THE UNITED STATES SHOULD HAVE A TOP-LEVEL PLANNING BOARD THAT COULD MATCH OR SURPASS EVERY RUSSIAN EFFORT TO INFLUENCE OTHER NATIONS.

HOWEVER, HEARST SAID HE WAS CONFIDENT THAT AMERICA EVENTUALLY WOULD LEAD THE FREE WORLD TO SUCCESS IN ITS STAND AGAINST THE COMMUNISTS' DRIVE FOR GLOBAL SUPREMACY.

RK702AES

A169ST (KX FW)
FIRST LEAD

ST. LOUIS, JUNE 4 (AP)-BISHOP FULTON J. SHEEN EXPRESSED DOUBTS TODAY ABOUT THE LIKELIHOOD OF POSITIVE RESULTS FROM THE GENEVA PARLEY.

THE NOTED CATHOLIC CHURCHMAN INDICATED HE EXPECTED LITTLE TO BE ACCOMPLISHED BY THE CONFERENCE OF THE FOREIGN MINISTERS.

"IN ANY EAST-WEST MEETINGS," HE SAID, "I CAN NEVER FORGET THE WORDS OF LENIN: 'EVERY LIE, KNAVEY, DECEIT AND RUSE MUST BE USED TO FURTHER WORLD REVOLUTION.'"

THE BISHOP MADE HIS REMARKS ON GENEVA AT A PRESS CONFERENCE BEFORE HE SPOKE TO THE CLOSING SESSION OF THE CATHOLIC HOSPITAL ASSN. CONVENTION.

AT THE PRESS CONFERENCE, HE SAID THE FIRST THING THAT SHOULD BE BROUGHT UP AT GENEVA IS THE QUESTION OF FREEING THE PEOPLES LIVING BEHIND THE IRON CURTAIN.

"WE SHOULD BE STRONGER IN OUR AFFIRMATION OF THEIR RIGHT TO DETERMINE THEIR OWN FORM OF GOVERNMENT," HE SAID.

BISHOP SHEEN SAID THE GENEVA CONFERENCE MIGHT HAVE SOME VALUE-- IF ONLY AS A SOUNDING BOARD FOR THE AIRING OF UNSOLVED PROBLEMS.

ADDRESSING THE CONVENTION ON THE TOPIC, "MANAGEMENT IS NOT ENOUGH," THE BISHOP SAID CATHOLIC HOSPITALS DIFFERRED FROM SECULAR HOSPITALS BECAUSE OF THE CATHOLIC ATTITUDE TOWARD THE BODY, TOWARD PAIN AND TOWARD THE POOR.

THE BISHOP SAID:

"CATHOLIC REVERE THE BODY AS THE TEMPLE OF THE SOULD AND OPPOSE ITS VIOLENT DESTRUCTION...WE REGARD THE TRADEDY OF PAIN AS RESIDING NOT IN THE SUFFERING, BUT IN HOW MUCH IS MISSED BY THE SUFFERER... AND AS CATHOLICS WE MUST TAKE ON THE BURDEN OF THE POOR. WE DO NOT HAVE THE RIGHT TO MAKE AS MUCH MONEY AS SECULAR HOSPITALS."

JF1102PCB

B32KX Q

SAN FRANCISCO, JUNE 4 (AP)-U.S. DIST. JUDGE LOUIS E. GOODMAN TODAY CUT IN HALF THE \$1,027,000 DAMAGE AWARD TO THE GOVERNMENT AGAINST T. Y. FONG, 44, BECAUSE HE DID NOT SCRAP 15 WORLD WAR II SURPLUS CARGO SHIPS.

THE GOVERNMENT SAID THE CHINESE FINANCIER AGREED TO SCRAP THE VESSELS BUT INSTEAD SOLD 13 OF THEM TO THE RED CHINESE GOVERNMENT. IN HIS DECISION TODAY JUDGE GOODMAN HELD THE GOVERNMENT WAS ENTITLED TO ONLY \$516,000 FOR THE BREACH OF CONTRACT. HE SET ASIDE A \$511,000 DAMAGE ASSESSMENT ON A TECHNICALITY.

FONG IS IN BRAZIL.

HU306PCS

END — JUNE 4, 1954